

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1175732-1

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/07/2002

To: Chicago

From: Chicago

NRA/NRA2

Contact: SA [redacted]

Approved By: [redacted]

b6 per FBI

Drafted By: [redacted] *JMK*

b7C

Case ID #: 194B-CG-114999 (Pending) - 71

Title: DONALD E. STEPHENS,
VILLAGE PRESIDENT,
ROSEMONT, ILLINOIS;
ET AL;
CSLPO-LOCAL LEVEL

b3 per FBI

b6

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Synopsis: Investigative summary and identified areas in need of further investigation.

Details: [redacted]

BACKGROUND

*WWS
3/8/02*

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To: Chicago From: Chicago
Re: 194B-CG-114999, 03/07/2002

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Re: 194B-CG-114999, 03/0b7E 02



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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/23/2002

To: Chicago

From: Chicago

NRA/NRA2

Contact: SA [redacted]

Approved By: [redacted]

b6 per FBI

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Drafted By: [redacted] mer

Case ID #: 194B-CG-114999 (Pending)

Title: DONALD E. STEPHENS,
ET AL
CSPLO - LOCAL LEVELb6 per FBI
b7C

Synopsis: Meeting with AUSAs [redacted] and [redacted] on 5/10/2002.

Details: This investigation was initiated in September of 1999 based upon a referral to the FBI. During the summer of 1999 American Business Insurance Agency/Acordia became aware of fraudulent practices by [redacted] which necessitated an internal audit. This action revealed that

[redacted] and others had falsified certain documents in order to obtain inflated premiums from companies and municipalities for the past 10 years. In addition to the fraudulent premiums, the audit also uncovered a series of kickbacks for a continuing insurance contract with the Village of Rosemont. From 1991 through 1996, ABI/Acordia issued false rebated premium checks to O.G. Services Corporation and later issued checks as broker commission payments to Skybox, Inc./Ribs. All of these companies at the time were owned and directed by [redacted]

On 1/17/2002, [redacted] were charged in a 15 count indictment involving mail fraud, wire fraud and money laundering. The purpose of the meeting on 5/10/2002 with prosecutors was to examine charging [redacted] with violations of Title 26 (tax fraud) and to indict Irving [redacted] personal and business accountant for tax fraud and conspiracy.

According to AUSA [redacted] the theory of prosecution for [redacted]

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194B-CG-114999-85

FEDERAL BUREAU OF INVESTIGATION

b6 per FBI
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Precedence: ROUTINE

Date: 11/12/2002

To: Chicago

Attn: ASAC [redacted]

Co-Agents:

PPF SA
 JV SA
 DML SA
 SA
 RA
 SA

[redacted] -DOL

From: Chicago

NRA-2

Contact: SA [redacted]

Approved By: [redacted] JRM

Drafted By: [redacted]:mkc

Case ID #: 194B-CG-114999 (Pending)

Title: DONALD E. STEPHENS, MAYOR
 VILLAGE OF ROSEMONT;
 ET AL;
 CSPLO-LOCAL LEVEL

Synopsis: Investigative plan: assessment and projected work for the next 90-360 days. Completion date 12/31/03. The following plan is the result of the collaborative efforts by SA's [redacted]
 [redacted] and former SSA [redacted].

Details:

PREDICATION

This public corruption investigation was predicated as a spin-off of 196B-CG-110974, entitled: [redacted] Et Al-FBW-Conspiracy. The previous investigation involved [redacted] Mayor Donald Stephens, as devising a scheme to defraud Acordia, Inc., an insurance brokerage firm which serviced the Village of Rosemont from 1991 to 1996. During January of 2002, [redacted] were indicted for over-billing Rosemont for \$675,000.00 in inflated insurance premiums. [redacted] has stated that he was introduced to Village of Rosemont officials, namely Donald Stephens II, the then Deputy Mayor of Rosemont by [redacted]. Subsequently, [redacted] received yearly kickbacks from [redacted] totaling \$280,000.00, which was eventually invested into a Schwab-One joint account.

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To: Chicago From Chicago
Re: 194B-CG-114999, 11/12/2002

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[REDACTED] STEPHENS [REDACTED]

b3 per Treasury

The present investigation of Stephens, [REDACTED] [REDACTED] opened in January 2001 alleges systemic corruption within the Village of Rosemont. The schemes include village contract fraud, similar to the insurance fraud previously mentioned. Also under investigation are illegal financial transactions from Parkway Bank and Trust. [REDACTED]

[REDACTED]

Investigation has also determined that [REDACTED] has been [REDACTED] with [REDACTED] in Bomark Cleaning Services, a company that maintains a no-bid arrangement for services in the Village of Rosemont, including a major convention center and sports arena. Bomark is also involved in the collection of parking revenue at these facilities. The Donald E. Stephens Convention Center (DESCC) is operated by the Rosemont Exposition Service (RES), another company which Mayor Stephens' family members have an ownership interest. RES controls all contracts with exhibitors at the DESC and mandates that RES b6 per FBI approved vendors are utilized. In addition to Bomark, other b7C former business interests of [REDACTED] include OG Service Corporation, which had been designated as the only fork lift provider at the DESC as well as McCormick Place. OG Service Corp. maintained a relationship with American Trade Show Services, previously known as Eastern Services, which provided aerial lifts to DESC as well as the Jacob K. Javits Convention Center in New York. Mayor Donald Stephens has been receiving dividend payments for a 25% owner-interest in American Trade Show Service, fka, Eastern Services Inc. and later changed to SBD Services, Inc., along with [REDACTED] [REDACTED], a reputed organized crime member. The final 25% interest is held by [REDACTED].

In addition to his interest in the fork lift business, [REDACTED] of Century Trade Show Services, Inc. (CTSS), a janitorial supply company based out of Atlanta, Georgia. CTSS provided the set-up and take-down services at McCormick Place, and also at the Jacob K. Javits Convention Center in New York. [REDACTED] was the subject of an FBI investigation into [REDACTED] [REDACTED] in which a member of [REDACTED] [REDACTED] was indicted. According to the New York